

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
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HEALTH PLAN BENEFITS GROUP

Date: October 15, 2003

To: All Medicare + Choice Organizations

From: Jean D. LeMasurier
Acting Director

Subject: Notification to Members About National Coverage Determinations or
Legislative Changes in Benefits

The purpose of this memorandum is to clarify how Medicare+Choice (M+C) organizations notify members about National Coverage Determinations (NCDs) or legislative changes in benefits. The requirements on NCDs are included in the Final Rule published in the Federal Register on August 22, 2003, entitled: "CMS-4041-F: Medicare Program; Modifications to Managed Care Rules." The Final Rule can be found at www.cms.hhs.gov/healthplans/bipa.

As stated in the preamble to the Final Rule, CMS will continue to require M+C organizations to notify plan members when there is a NCD or legislative change in benefits. M+C organizations are required to include an explanation of the new NCD or legislative change in benefits in their next regularly scheduled beneficiary communication (e.g., the Annual Notice of Change, the member newsletter, etc.). M+C organizations are not required to provide notification with respect to specific NCD or legislative change in benefits in the standardized Summary of Benefits or the annual Evidence of Coverage, because NCDs and legislative change in benefits can be effective at any time during the year.

If the new NCD or legislative change in benefits meets the "significant cost" threshold per §422.109(a), you must include the fact that the service will be paid in accordance with Original Medicare payment rules and include information on financial liability enrollees will have when notification to members.

Information regarding all NCDs is always available via CMS' website where NCD coverage is posted. The list of NCDs are found at www.cms.hhs.gov/mcd/index_list.asp?list_type=ncd or to search the National Coverage Analyses Database, you can access www.cms.hhs.gov/ncdr/. In addition, if the new NCD or legislative change in benefits meets the "significant cost" threshold per §422.109(a), CMS will notify M+C organizations by memorandum.

If you have any questions regarding notification to members of NCDs, please contact your Regional Office Managed Care Specialist/Plan Manager. If you have any questions regarding CMS-4041-F, you may contact Terese Klitenic at tklitenic@cms.hhs.gov.